

# IDAHO BARLEY NEWSBRIEF

## Inside this issue:

- Farm Bill Countdown
- Idaho Barley Crop
- Market Update
- Iogen ethanol plant
- Colombia Free Trade Agreement

## Idaho Barley Check-off Dollars At Work...

**2007 Farm Bill - IBC Chairman Evan Hayes served as president of National Barley Growers from 2005-07 and led a national effort to achieve greater equity in farm support payments for barley and to maintain barley's decoupled direct payment.**

**First ever food barley sales to Japan - IBC has worked to commercialize food barley in Idaho, resulting in the first U.S. food barley sales to Japan in 2007.**

## WELCOME TO OUR INAUGURAL ISSUE OF OUR MONTHLY ELECTRONIC NEWSLETTER

### 2007 Farm Bill Countdown -

In an effort to buy more time to work out thorny budget issues, Congress has passed its third extension of the 2002 Farm Bill until April 25. A new farm bill is in the final reconciliation process between the House and Senate agriculture and finance committees this week. Although not completed, here is what we know -

<sup>a</sup> Agreement to add an additional \$10 billion in spending (added to \$597 billion baseline over 10 years).

<sup>a</sup> At least \$1.4 to \$1.6 billion in new spending for the commodity title, which could be used to shore up loan rates and target prices for some of the programs crops, including barley. The National Barley Growers Association made this effort one of their highest priorities in the farm bill debate.

<sup>a</sup> Conservation would see an increase of at least \$4 billion, including increased funding for EQIP and Conservation Security Program. Acreage caps on the long-time Conservation Reserve Program would likely be scaled back from 39 million to 32 million acres.

<sup>a</sup> A new permanent disaster program would be created with a projected funding level of about \$4 billion over four years.

### Idaho Barley Vote is planned for Fall 2008

The IBC will conduct a barley grower referendum vote in the fall 2008 on whether growers support future legislation giving the IBC board authority to set the Idaho barley assessment rate within a range of \$.02 to \$.04 per Cwt. The Idaho barley assessment has been set at \$.02/Cwt. since the IBC was formed in 1988.

**2008 Idaho Barley Crop Outlook - USDA is projecting 2008 Idaho barley acres at 550,000, down 20,000 acres or 4% from 2007 (USDA/NASS March 31 Prospective Planting Report).**

Idaho barley production in 2006 and 2007 at 42.8 million and 44 million bushels respectively were the two lowest levels in the past 30 years.

## MARKET UPDATE - 2008 Malt Contracts...

Contracting for 2008 malting barley began last September in order to compete with competitively priced alternative crops like wheat which was trading at historical highs. We want to acknowledge all our contractors for stepping up this year with competitive offers.

**This week, Anheuser Busch began offering a one-time production cost support payment to those growers who signed early contracts last fall (less than \$12.50/Cwt.) in exchange for a commitment to sign un-priced 2009 contracts.**

## Idaho Food Barley Shines in Japan...

**In 2007, the U.S. sold its first food barley to Japan, all of it sourced from Idaho.**

Hakubaku Company, the largest food barley processor in Japan, has launched a new barley product **using the high beta-glucan food barley from Idaho.**

## Idaho makes strong appeal to Iogen in support of cellulosic ethanol plant in eastern Idaho

U.S. Senator Larry Craig and IGPA President Matt Gellings, Idaho Falls, met with Iogen officials on April 7 at their corporate offices in Ottawa, Canada and toured Iogen's cellulosic demonstration plant built in 2004. Senator Craig and the Idaho grain industry have worked closely for the past five years to bring this innovative renewable energy plant to Idaho. Craig was instrumental in including provisions in the Energy Policy Act which passed Congress in October 2005 authorizing both cellulosic ethanol grant and loan guarantee programs through the U.S. Department of Energy.

**Iogen was awarded a \$80 million grant in February 2007 by DOE and has since qualified for consideration under DOE's Clean Energy loan guarantee program.**

Iogen considers the loan guarantee an essential element in their effort to secure reasonable financing for what is largely considered unproven technology.

### IBC supported renewable energy production incentives

passed by Congress in the Energy Policy Act of 2005 and Energy Independence and Security Act of 2007.

### U.S. Ethanol Profile-

There are currently 143 plants producing ethanol in the U.S. - mostly from corn - with an annual production capacity of 8.2 billion gallons. Another 65 plants are under expansion or construction and are expected to add 5.3 billion gallons additional capacity in the next year.

**There is stiff competition between Idaho and a site in Saskatchewan, Canada for Iogen's first cellulosic ethanol plant.**

The Canadian government recently announced the allocation of \$500 million for what they are calling "next generation" biofuel plants. This new fund would provide up to 40% of eligible project costs for large demonstration-scale facilities, including a proposed Iogen plant in Canada.

### ..... Japan barley market, continued...

Japan continue to be the largest export customer for U.S. barley, importing more than 540 thousand metric tons (25 million bushels) in the current marketing year 2007-08 that ends May 31. **This level is up nearly 30% from the same period a year ago. Much of our success is due to ongoing trade serving efforts in the Japanese market by the U.S. Grains Council, our international marketing partner based in Washington, D.C. with nine offices around the world.**

## COLOMBIA FREE TRADE AGREEMENT (CTPA) STALLS IN CONGRESS

President Bush officially submitted legislation to Congress on April 8 to implement the Colombia-U.S. Trade Promotion Agreement, which he signed in April 2007. Under the fast-track negotiating rules that were in effect when the agreement was completed last year, Congress has a 90-day clock for a mandatory up or down vote on the bill, without the possibility of amendments.

However, because of opposition by many Democrats, the House passed a measure on April 10 that would indefinitely delay congressional consideration of this bilateral trade agreement.

The main opposition comes from concerns about the treatment of

labor unionists in Colombia.

However, according to Idaho barley commissioner Dan Mader, Genesee, ID, who visited Colombia on a market development trip in late 2006, Colombian President Uribe has “made impressive strides in implementing human rights and economic reforms in his country. This agreement will strengthen our economic ties and promote greater political stability.”

Mader emphasizes “this agreement will give U.S. products the same duty-free treatment that Colombia already enjoys in our market. More than 90% of Colombia products enter the U.S. duty free under the existing Andean Trade Preference Act.

Now is precisely the

wrong time to get cold feet on trade agreements.”

**This bilateral free trade agreement is a very good deal for the Idaho grain industry – securing immediate duty-free access for our barley, malt and wheat products. Colombian brewers have a large growing market for barley and are unable to produce it domestically. They are very interested in sourcing their raw materials from the U.S. but high tariffs have made us uncompetitive in the past.**

**Mader says “the only thing accomplished by rejecting this free trade agreement will be to punish American producers and workers with continued one-way tariffs against our products.”**

Visit us at  
[www.idahobarley.org](http://www.idahobarley.org)

1988-2008  
*Celebrating 20 Years of Service  
to Idaho Barley Producers*